
Anti-Bribery and Corruption Policy

Effective: 20 February 2021
Owner: Company Secretary
Approval: Company Secretary
Reviewed: Annually

- POLICY** RFM is committed to establishing an anti-bribery and corruption (ABC) policy that ensures better control to regulate the risk of bribery and corruption¹ within RFM managed entities. RFM's fundamental values include maintaining a high standard of integrity, investor confidence and good corporate governance.
- PURPOSE** The purpose of this policy is to ensure RFM has arrangements in place to monitor, detect, report, and manage bribery and corruption and related activities.
- This involves implementation, continuous monitoring and improvement in the areas of planning, prevention, detection and response.
- SCOPE** This policy applies to all employees of the Company and its managed and/or owned entities.
- RELATED POLICIES**
- Anti-Money Laundering and Counter Terrorism (AML/CTF) program
 - Code of Conduct
 - Delegations Policy
 - Procurement Policy
 - Risk Management Policy
 - Whistleblower Policy
- NEED HELP?** Any queries regarding this policy should be directed to the Compliance Department.
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¹ Australian Trade Commission due diligence report
ACN 077 492 838
AFSL 226701

What is Bribery and Corruption?²

1. Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. For RFM this can include material and deliberate misstatement of accounting information for an improper purpose, overcharging for goods and services, tax evasion, money laundering, insider trading and/or theft of intellectual property, theft of plant and equipment by employee and theft of inventory or cash by an employee.
2. Corruption is defined as the abuse of entrusted power for private gain.

Policy Statement

3. All RFM business activities must be conducted in full compliance with this policy, RFM's Code of Conduct and any applicable anti-bribery and corruption laws in Australia.
4. RFM prohibits any act of bribery or corruption and applies a "zero tolerance" approach to violations of this policy and any applicable anti-bribery and corruption laws.

Planning

5. This policy forms an integral part of RFM's overall risk management plan. It relates to identified business risks which are controlled by the application of risk management principles and are directly related to this plan.

Prevention³

6. RFM has implemented initiatives and processes to aid prevention of potentially fraudulent activities, including:

Integrated Framework	All staff are aware of this policy and its application and their responsibilities under the policy
Codes of behaviour and compliance	Compliance with RFM Code of Conduct and Employee Handbook (all staff) and Board Charter (Directors). RFM employees have various disclosure requirements advised in the Code of Conduct and will receive regular updates via staff meetings and RFM intranet. Responsibility for monitoring compliance is assigned to the Company Secretary who reports any non-compliance to the Chief Operating Officer (COO) or the Board directly if of a serious nature
Ongoing training	All staff receive training in relation to behavioural requirements (Code of Conduct, conflicts of interest, the use of IT systems, media)
Reinforcement and reward	Performance appraisal systems, remuneration strategies – staff are rewarded for their continued efforts and adherence to the

² As defined by Transparency International

³ Annual reviews are conducted. Where deficiencies have been noted, appropriate remedial action is undertaken, which may involve additional training, policy development, system improvements.

	Company's policies. Non-compliance with the Company's policies and expectations is actively managed
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ABC Risk Management

- The Company has identified and documented potential business risks related to bribery and corruption. These risks have been analysed, evaluated and control measures have been implemented to mitigate these risks. Responsibility for managing these risks has been assigned to the Senior Managers.

Accountability

- Senior Managers are responsible for the prevention and detection of bribery and corruption relevant to business operations and activities.

Internal Controls

- RFM has implemented the following procedures, processes and systems to assist RFM in prevention of potential employee bribery and corruption.

Risk Management	RFM has identified bribery and corruption risks that can significantly impact on the Company and its business operations. These risks have been documented, analysed and evaluated with control measures implemented to treat the risks. All risks pertaining to RFM are subject to a regular review and reporting requirements. Risks which have a residual risk rating of Extreme or High are subject to ongoing monitoring. The Board will not tolerate a residual risk rating of Extreme whilst a risk rated as High must be assessed regularly as part of the risk assessment process.
Communication and awareness	The importance of bribery and corruption prevention, monitoring and reporting of any suspicious activities is regularly communicated to RFM staff. This included induction, ongoing communication at staff meetings and through the RFM Intranet and/or ongoing training. RFM staff are aware of their duties and responsibilities under the RFM Code of Conduct. Compliance is monitored by the Company Secretary, reported to the Board monthly and the Internal Compliance Committee quarterly.
Employment screening	All potential employees undergo careful employment screening which includes verification of identity and credentials. Employment in positions which have been rated as Medium or High risk under the AML/CTF Program are subject to additional screening. Reviews are conducted at the time of the employee's appointment and/or promotion. The Company also carries out annual performance reviews
Separation of duties	RFM has designed its controls to ensure preparation of data and the actual approvals. are separated and each of the steps is assigned to a different employee as much as it practical
Procurement	RFM's Procurement Policy sets out the minimum requirements for selecting and engaging its suppliers and service providers. Engagement of key suppliers and service providers involves a due diligence process which

	may involve an external legal review. Ongoing contracts are regularly reviewed
Customer (Investor) verification	Procedures are in place to verify the identity of RFM's new investors (individuals, trusts, companies). RFM follows the procedures set out in Part B – Customer identification and verification procedures of the AML/CTF program
Conflicts of interest	RFM has robust policies and guidelines in relation to disclosing and managing conflicts of interest, whether potential or actual, and any related party transactions
Insurance	Where possible and practical to do so, RFM has taken appropriate insurance to cover property, money theft, commercial motor vehicle insurance and investment managers' insurance
Management reporting	Detailed financial reporting to management and the Board including key revenue and expense items, comparisons to forecasts and budgets. Commentary on financial variances
Payment controls	as per Delegations Policy

10. Additional procedures will be developed and implemented if warranted and required by the Company and its business activities.

Detection

11. The following procedure will be followed to detect bribery and corruption, should there be evidence to suggest the Company's preventative measures have failed:

Post-transactional review	The Company Secretary will conduct a review of the fraudulent or corrupt activity. If the transaction or activity has occurred in the Corporate business area, another senior manager will be allocated to investigate. This is to ensure independence of this review
Computer system analysis	The National Manager – Human Resources (or delegate) may carry out an analysis of the relevant software applications and actual data to identify the origin, context, size and frequency of the fraudulent activity
Analysis of management accounting reports	Managers reporting to the Board are responsible for ensuring the information, including financial data, is accurate and does not contain any misleading information. Where an inconsistency or a departure from the usual trend has been noted, the Board has the responsibility to request clarification or a review of the information provided. Ultimately, the responsibility for ensuring accuracy of RFM's management accounting reports rests with the Board

External Audit

12. Amongst other duties, the auditor is accountable for the detection of bribery and corruption as part of the audit. RFM will proactively liaise with the auditor, and offer further assistance where required, during and post audit in relation to any suspected or identified fraudulent activity.

Reporting Suspected Incidents

13. It is important that all instances of bribery and corruption detected within, against or by the Company are reported to the Senior Managers or in accordance with RFM's whistleblower policy.
14. All RFM staff have the responsibility to report any matter or concern involving allegations of unethical or illegal behaviour. Staff should report to their immediate Manager or the Company Secretary.
15. All reports will be treated confidentially, and no actions will be taken against anyone for making or helping someone to make a genuine, and not a malicious, allegation.⁴ All concerns will be taken seriously and will be promptly investigated.
16. An employee reporting any matter of concern may choose to remain anonymous. A thorough investigation will only proceed if there is evidence to suggest that bribery or corruption has occurred.

Recovery Action

17. Recovery action will be undertaken where there is clear evidence of bribery or corruption and where the likely benefits of such recovery will exceed the funds and resources invested in the recovery action.
18. Where bribery or corruption is directly identifiable to a specific business unit, any directly associated losses will be allocated against that business unit.

Review of Internal Controls

19. In each instance where bribery or corruption is detected, RFM's Senior Managers (or delegate) will reassess the adequacy of the internal control environment and consider whether improvements are required.
20. Recommended improvements will be implemented as soon as practicable. The responsibility for this task will be allocated prior to their commencement. A summary of the recommendations or requirements for the modification of any internal control measure will be also provided to all managers.

Response

Investigation

21. Once reported, any apparent or suspicious bribery or corruption will be investigated. If there is enough evidence to suggest that bribery or corruption has occurred, a thorough investigation will be instigated. Internally, the investigation will be conducted by the Company Secretary or another senior manager (see section 10).

⁴ As per the Whistleblower Policy

22. The Company Secretary will consult with the Chief Operating Officer as to what action should be taken in relation to the bribery or corruption.

These managers have the discretion to:

- call for an external party with the appropriate expertise to assist with the conduct of the investigation, or
 - report the incident to the appropriate external law enforcement agency to take over the investigation.
23. The investigation process will observe the following:
- External parties engaged to assist in investigations on the Company's behalf will be required to enter into a binding agreement in relation to the release of confidential information coming into their possession during the investigation.
 - Any investigation and resulting disciplinary proceedings will be transparent, independent and objective, and will comply with all relevant legislation.
 - Records will be kept during the entire investigation and will be accessed only by Senior Managers (or delegate).
 - RFM staff are required to assist in investigative activities, provide documents or access to Company's records and systems as required.
24. The Company Secretary (or delegate) will oversee the investigation and report the progress as appropriate.

Bribery and Corruption Incident Register

25. If required at any point during the Company's existence, the Company Secretary (or delegate) will report any incidents of bribery or corruption in Tickit.

Disciplinary Procedures

26. The investigation and determination processes in relation to bribery or corruption incidents will be separated.
27. The results of the investigation will be put to the Chief Operating Officer and, where the incident is significant or involves the conduct of a Senior Manager or a Director, to the Board to make the decision as to what disciplinary action should be taken.
28. The outcome of disciplinary proceedings may involve immediate termination of employment, demotion, fining or reduction in seniority. It is important to ensure each situation is considered fairly and objectively.

External Reporting

29. On reaching a finding that there is evidence of bribery or corruption in respect of an allegation or series of allegations, the Company Secretary and Chief Operating Officer will undertake a formal process to form a view as to whether the matter is one that should be reported to the relevant law enforcement agency for investigation and therefore, potentially, prosecution. Guidance from the Board can be requested.

30. At minimum, the following items will be provided to the law enforcement agency (subject to the agency requirements as confirmed by them):
 - A summary of the allegations;
 - A list of witnesses and potential witnesses;
 - A list of suspects and potential suspects;
 - Copies of all written statements and documentary evidence obtained to that point;
 - A copy of the transcript of any interview conducted with a person suspected of involvement in the material alleged;
 - A copy of any electronic media on which such interviews have been recorded;
 - Any other details as considered relevant to the incident.

31. In the event that a decision is made to refer the matter to the appropriate law enforcement agency, the Company will undertake to do all that is reasonable in assisting the law enforcement agency to conduct a full and proper investigation, including the financial and other resources where required.

32. Any other disclosure requirements, for example continuous disclosure obligations, will be undertaken, as necessary.

Definitions

Term	Definition
All Staff	Responsible for: <ul style="list-style-type: none"> reporting allegations, concerns or suspected incidences regarding bribery or corruption ; and, providing any assistance in investigations as necessary
Bribe	The act of paying a secret commission to another individual. It is also used to describe the secret commission itself
Chief Operating Officer	Determines disciplinary action in relation to bribery or corruption incidents in conjunction with the Company Secretary
Code of behaviour	Set out in the Code of Conduct (employees) or Board Charter (Directors) communicating expected standards and behaviour of RFM employees
Company or RFM	means Rural Funds Management Limited ACN 077 492 838 and its related bodies corporate
Company Secretary	Maintains all correspondence relating to any bribery or corruption activities as specified in this policy in conjunction with the Chief Operating Officer
Control (internal control)	An existing process, policy, device, practice or other action that acts to minimise negative risks or enhance positive opportunities
Corruption	Dishonest activity in which a director, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses their position of trust in order to achieve some personal gain or advantage for themselves or for another person or entity
Facilitation payment	An unofficial cash payment to a government official, which is demanded or paid to enable or speed up a routine government process which the government official is already duty bound to perform e.g. processing papers or customs clearance
RFM Board	Determination of a disciplinary action in relation to a serious fraud or corruption incident
Risk	The chance of something happening that will have an impact upon the Company's objectives. In consideration of bribery and corruption risk this will generally be a negative impact
Senior managers	Means: <ul style="list-style-type: none"> Chief Operating Officer Chief Financial Officer National Manager – Operations & Company Secretary
Serious risk/event	Likely to have more than an immaterial impact on the entity, if it occurred, with the potential to threaten the business' economic viability in the short, medium or long term or to have noticeable impact on the organisation's business reputation